

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2007-459-E - ORDER NO. 2008-49

JANUARY 25, 2008

IN RE: Petition of South Carolina Electric & Gas) ORDER GRANTING
Company Requesting Accounting Order) ACCOUNTING
Related to Municipal Fee Payments) TREATMENT OF
) MUNICIPAL FEE
) PAYMENTS

This matter comes before the Public Service Commission of South Carolina (“Commission”) on a request by the South Carolina Electric & Gas Company (“SCE&G” or the “Company”) for an accounting order regarding certain municipal fee payments made by the company and passed through to affected municipal customers, and the current positive collection balances in its prepaid accounts related to these payments. Specifically, SCE&G asks that, beginning with its calendar year 2007 financial statements, the Company be allowed to record current year payments of municipal fees as a prepaid expense on its balance sheet and record current year collections as “other electric or gas revenue,” as appropriate, net of the amortization of the prior year prepayment. Additionally, SCE&G seeks authority to credit the outstanding collection balances related to these fees, as of December 31, 2006, to either the cost of gas calculation or the electric fuel factor calculation, as appropriate. In support of this request, SCE&G states that such an accounting order will allow the Company to apply the proposed accounting treatment to its calendar year 2007 books and avoid the accumulation of funds in prepaid accounts going forward.

The Commission grants SCE&G's request for the accounting order. However, we note that the accounting treatment allowed by this order is subject to review and reconsideration in future fuel clause proceedings, cost of gas proceedings, or other rate-related proceedings. With this understanding and as requested by SCE&G, the Commission will undertake a full review of the above accounting treatment in conjunction with the Company's upcoming fuel cost hearing in Docket No. 2008-2-E, scheduled for March 27, 2008. The Commission's staff is therefore directed to prepare a supplemental notice that this request will be heard at the fuel cost hearing, and SCE&G is required to give its customers supplemental notice by both a bill insert and publication in major newspapers. This revised notice will ensure that interested persons have the opportunity to intervene and be heard.

This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:



G. O'Neal Hamilton, Chairman

ATTEST:



C. Robert Moseley, Vice Chairman

(SEAL)